
UNAUDITED RESULTS FOR FIRST QUARTER ENDED 31 MARCH 2007

PART I - INFORMATION REQUIRED FOR QUARTERLY ANNOUNCEMENTS

The initial public offering of Riverstone Holdings Limited (the "Company") was sponsored by Phillip Securities Pte Ltd (the "Manager"). The Manager assumes no responsibility for the contents of this announcement.

The Company was incorporated on 3 August 2005 and listed on the Official List of the Singapore Exchange Securities Trading Limited (the "SGX-ST") on 20 November 2006.

1 (a) (i) An income statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

**Consolidated Income Statement
For the first quarter ended 31 March 2007**

	Group		Increase / (decrease) %
	3 months ended 31 Mar		
	2007	2006	
	RM'000	Note 1 RM'000	
Revenue	28,024	29,089	(3.7%)
Cost of sales	<u>(18,576)</u>	<u>(20,650)</u>	(10.0%)
Gross profit	9,448	8,439	12.0%
Other operating income	450	112	301.8%
Selling and distribution expenses	(1,239)	(1,407)	(11.9%)
General and administrative expenses	(2,037)	(1,862)	9.4%
Other operating expenses	(2,035)	(952)	113.8%
Finance costs	<u>(72)</u>	<u>(54)</u>	33.3%
Profit before tax	4,515	4,276	5.6%
Taxation	<u>(542)</u>	<u>(513)</u>	5.7%
Profit after taxation	<u>3,973</u>	<u>3,763</u>	5.6%
Attributable to:			
Equity holders of the Company	3,973	3,763	5.6%
Minority interest	-	-	N/M
	<u>3,973</u>	<u>3,763</u>	

1 (a) (ii) The net profit attributable to shareholders includes the following (charges)/credits:

	Group		Increase / (decrease) %
	3 months ended 31 Mar		
	2007	2006	
	RM'000	Note 1 RM'000	
Depreciation of property, plant and equipment	(1,559)	(1,339)	16.4%
Foreign exchange loss (net)	(656)	(370)	77.3%
Property, plant and equipment written off	(18)	(22)	(18.2%)
Interest income from bank balances	349	37	843.2%
Interest on borrowings	(72)	(54)	33.3%

N/M Not Meaningful

Note 1 The Group was formed on 4 October 2006 pursuant to a restructuring exercise for the purpose of the Company's listing on Singapore Exchange Securities Trading Limited. The consolidated income statement for the 3 months ended 31 March 2006 have been presented as if the Group had been in existence since 1 January 2006.

* Denote amount less than RM500

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1 (b) (i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

Balance Sheet as at 31 March 2007

	Group		Company	
	As at 31.03.07 RM'000	As at 31.12.06 RM'000	As at 31.03.07 RM'000	As at 31.12.06 RM'000
Property, plant and equipment	53,237	53,810	-	-
Investment in subsidiary companies	-	-	63,286	63,972
	<u>53,237</u>	<u>53,810</u>	<u>63,286</u>	<u>63,972</u>
Current assets				
Inventories	16,503	14,788	-	-
Trade receivables	23,230	26,198	-	-
Other receivables	3,865	1,335	-	92
Amount due from a subsidiary company	-	-	14,171	9,000
Prepayments	177	219	44	4
Fixed deposit	39,643	44,686	36,768	44,686
Cash and bank balances	15,333	10,436	105	23
	<u>98,751</u>	<u>97,662</u>	<u>51,088</u>	<u>53,805</u>
Current liabilities				
Payables and accruals	13,014	15,336	1,609	3,899
Hire purchase payables	74	88	-	-
Bank borrowings (secured)	1,586	1,730	-	-
Provision for taxation	280	386	-	-
	<u>14,954</u>	<u>17,540</u>	<u>1,609</u>	<u>3,899</u>
Net current assets	<u>83,797</u>	<u>80,122</u>	<u>49,479</u>	<u>49,906</u>
Hire purchase creditors	(25)	(40)	-	-
Bank borrowings (secured)	(2,334)	(2,741)	-	-
Deferred taxation	(3,157)	(3,157)	-	-
	<u>(5,516)</u>	<u>(5,938)</u>	<u>-</u>	<u>-</u>
Net assets	<u>131,518</u>	<u>127,994</u>	<u>112,765</u>	<u>113,878</u>
Equity attributable to equity holders of the Company				
Share capital	106,788	106,788	106,788	106,788
Reserves	24,728	21,204	5,977	7,090
	<u>131,516</u>	<u>127,992</u>	<u>112,765</u>	<u>113,878</u>
Minority interests	2	2	-	-
	<u>131,518</u>	<u>127,994</u>	<u>112,765</u>	<u>113,878</u>

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1 (b) (ii) Aggregate amount of group's borrowings and debt securities

	Group	
	As at 31.03.07 RM'000	As at 31.12.06 RM'000
Amount repayable in one year or less, or on demand		
Hire purchase creditors (secured)	74	88
Bank borrowings (secured)	1,586	1,730
	<u>1,660</u>	<u>1,818</u>
Amount repayable after one year		
Hire purchase creditors (secured)	25	40
Bank borrowings (secured)	2,334	2,741
	<u>2,359</u>	<u>2,781</u>

The hire purchases were secured by certain motor vehicles.

The bank borrowings were secured by the following:-

- (a) First legal charge over certain of the Group's freehold land and buildings; and
- (b) Joint and several guarantee by certain directors of the Group.

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- 1 (c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

Consolidated Cash Flow Statement
For the first quarter ended 31 March 2007

	Group	
	3 months ended 31 Mar	
	2007	2006
	RM'000	RM'000
Cash flows from operating activities		
Profit before taxation	4,515	4,276
Adjustments:-		
Depreciation of property, plant and equipment	1,559	1,339
Property, plant and equipment written off	18	22
Interest expense	72	54
Interest income	(349)	(37)
Operating profit before working capital changes	5,815	5,654
(Increase)/ decrease in inventories	(1,715)	383
Decrease/ (increase) in receivables and prepayments	480	(250)
Decrease in payables and accruals	(2,322)	(6,568)
Cash generated from/ (used in) operations	2,258	(781)
Income taxes paid	(649)	(220)
Interest paid	(72)	(54)
Interest received	349	37
Net cash generated from/ (used in) operating activities	1,886	(1,018)
Cash flows from investing activities		
Purchase of property, plant and equipment	(983)	(1,723)
Net cash used in investing activities	(983)	(1,723)
Cash flows from financing activities		
Proceeds from term loans	-	1,449
Repayment of term loans	(551)	(1,159)
Repayment of hire purchase creditors	(29)	(68)
Net cash (used in)/ generated from financing activities	(580)	222
Net increase in cash and cash equivalents	323	(2,519)
Effect of foreign currency exchange rates	(469)	201
Cash and cash equivalents at beginning of period	55,122	9,431
Cash and cash equivalents at end of period	54,976	7,113
Cash and cash equivalents comprise the followings at end of the financial period		
Fixed deposits	39,643	3,593
Cash at banks and in hand	15,333	3,520
Cash and cash equivalent at end of the financial period	54,976	7,113

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1 (d) (i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

**Statement of Changes in Equity
For the first quarter ended 31 March 2007**

GROUP	Share Capital RM'000	Retained Profits RM'000	Other Reserves RM'000	Total Reserves RM'000	Minorities Interests RM'000	Total Equity RM'000
Balance at 1 January 2006 (Note 2)	5,404	57,592	193	57,785	2	63,191
Net profit for the period	-	3,763	-	3,763	-	3,763
Translation differences	-	-	342	342	-	342
Balance at 31 March 2006 (Note 2)	5,404	61,355	535	61,890	2	67,296
Balance at 1 January 2007	106,788	80,124	(58,920)	21,204	2	127,994
Net profit for the period	-	3,973	-	3,973	-	3,973
Translation differences	-	-	(449)	(449)	-	(449)
Balance at 31 March 2007	106,788	84,097	(59,369)	24,728	2	131,518

Note 2 These balances represent the share capital, retained profits and other reserves of the subsidiary companies prior to the restructuring exercise.

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**Statement of Changes in Equity
For the first quarter ended 31 March 2007**

COMPANY

Balance at 1 January 2006 and 31 March 2006

Balance at 1 January 2007

Net profit for the period

Net effect of exchange differences

Balance at 31 March 2007

	Share Capital RM'000	Accumulated Profits RM'000	Other Reserves RM'000	Total Reserves RM'000	Minorities Interests RM'000	Total Equity RM'000
Balance at 1 January 2006 and 31 March 2006	- *	-	-	-	-	-
Balance at 1 January 2007	106,788	8,449	(1,359)	7,090	-	113,878
Net profit for the period	-	108	-	108	-	108
Net effect of exchange differences	-	-	(1,221)	(1,221)	-	(1,221)
Balance at 31 March 2007	106,788	8,557	(2,580)	5,977	-	112,765

* Denote amount less than RM500

1 (d) (ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as at the end of the corresponding period of the immediately preceding financial year.

During the first quarter ended 31 March 2007, there was no change to the Company's share capital.

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- 2. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.**

The figures have not been audited or reviewed by the Company's auditors.

- 3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).**

Not applicable

- 4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

The accounting policies and method of computation applied in the financial statements for the current reporting period are consistent with those disclosed in the audited financial statements for the financial year ended 31 December 2006.

- 5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

Not applicable

- 6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends:-**

		Group	
		3 months ended 31 Mar	
		2007	2006
Earning per share ("EPS") in sen (RM)			
a)	Basic	1.28	1.63
b)	On a fully diluted basis	1.28	1.63

Earnings per share for the financial period ended 31 March 2007 is calculated based on profit from ordinary activities after taxation of RM4.0 million divided by weighted average of 309.5 million number of ordinary shares in issue. As for comparative, earnings per share for the 3 months period ended 31 March 2006 has been calculated based on profit attributable to shareholders of RM3.8 million and the pre-invitation share capital of 231.5 million ordinary shares after taking into account the Restructuring Exercise, Share Split and Share Consolidation. As there were no share options and other potential issuance granted, the basic and diluted earnings per share are the same.

7. Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the:-

- (a) current financial period reported on; and
(b) immediately preceding financial year.**

	Group		Company	
	As At 31/03/2007	As At 31/12/2006	As At 31/03/2007	As At 31/12/2006
Net asset per share in sen (RM)	42.49	41.36	36.43	36.79

The Group and Company net asset backing per ordinary share as at 31 March 2007 and 31 December 2006 are calculated based on 309.50 million ordinary shares in issue.

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-

- a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**
- b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

a) INCOME STATEMENT REVIEW

For the financial period ended 31 March 2007 ("1Q2007"), sales volume of the Group had increased by 3.3% while the Group's revenue declined by 3.7% over the corresponding period last year ("1Q2006"). As the Group's sales are denominated mainly in United States ("US") Dollars and other Asian currencies such as Hong Kong Dollars, Thai Baht, Singapore Dollars and Renminbi, the strengthening of the Malaysian Ringgit against the US Dollar and major Asian currencies have resulted in a decline in revenue.

Gross profit increased by 12.0% or RM1.0 million to RM9.4 million due to mainly lower raw material costs, cost savings from switching to bio-mass systems, less reliance on fuel usage and improved production efficiencies. Gross profit margin in 1Q2007 was higher at 33.7% compared to 29.0% in 1Q2006.

Other operating income increased from RM0.1 million in 1Q2006 to RM0.5 million in 1Q2007, an improvement of 301.8% or RM0.4 million. The increase was mainly due to interest income from the higher fixed deposits as compared to 1Q2006.

General and administration expenses was higher by 9.4% from RM1.9 million in 1Q2006 to RM2.0 million in 1Q2007 mainly due to higher staff costs.

The strengthening of the Malaysian Ringgit had caused the Group to recognise a net foreign exchange loss of RM0.7 million for 1Q2007. The Group undertook higher level of research and development activities during 1Q2007. These two major factors had resulted in an increase in other operating expenses by 113.8% to RM2.0 million.

Finance costs increased 33.3% from RM0.05 million in 1Q2006 to RM0.07 million in 1Q2007 as a result of servicing higher borrowings undertaken from the second quarter of 2006 for the expansion of dipping line and installation of bio-mass systems.

For the period under review, the Group's profit before tax and profit after tax increased by 5.6% to RM4.5 million and RM4.0 million respectively.

b) BALANCE SHEET REVIEW

Due to better collection for 1Q2007 as compared to FY2006, trade receivables reduced by RM3.0 million. Inventories increased to RM16.5 million, representing an 11.6% increase.

Cash and cash equivalents has a slight decline from RM55.1 million as at 31 December 2006 to RM55.0 million as at 31 March 2007. Net cash flows generated from operating activities of RM1.9 million were offset by net cash flows used in investing and financing activities of RM1.0 million and RM0.6 million respectively.

Current liabilities decreased by 15.1% mainly due to the decrease in payables and accruals from RM15.3 million as at 31 December 2006 to RM13.0 million as at 31 March 2007.

Total bank borrowings decreased by 12.3% from RM4.5 million to RM4.0 million due to repayment of the borrowings. The Group had not acquired additional bank borrowings during 1Q2007.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

There is no material variance from the statement provided in the previous announcement.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

The Group will continue to focus on its core business in manufacturing cleanroom consumables for the highly controlled and critical environments. We expect to continue to seek new markets and customers in 2007. We expect to expand our production capacity in Thailand to increase the annual production capacity of the Group by 60 million to 780 million gloves by the end of the year.

11. If a decision regarding dividend has been made:-

(a) Whether an interim (final) ordinary dividend has been declared (recommended); and

None

(b) Corresponding period of the immediately preceding financial year

None

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).

Not applicable

(d) The date the dividend is payable.

Not applicable

(e) The date on which Registrable Transfers received by the company (up to 5.00 pm) will be registered before entitlements to the dividend are determined.

Not applicable

12. If no dividend has been declared (recommended), a statement to that effect.

No dividend has been declared or recommended for the first quarter ended 31 March 2007

BY ORDER OF THE BOARD

WONG TEEK SON
EXECUTIVE CHAIRMAN AND CHIEF EXECUTIVE OFFICER

14 MAY 2007

This release may contain forward looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from other companies, shifts in customer demands, customers and partners, changes in operating expenses, including employee wages, benefits and training, governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. You are cautioned not to place undue reliance on these forward looking statements, which are based on current view of management on future events.